

PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department
Third Quarter, Fiscal Year 2019

ACTION PLAN

Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

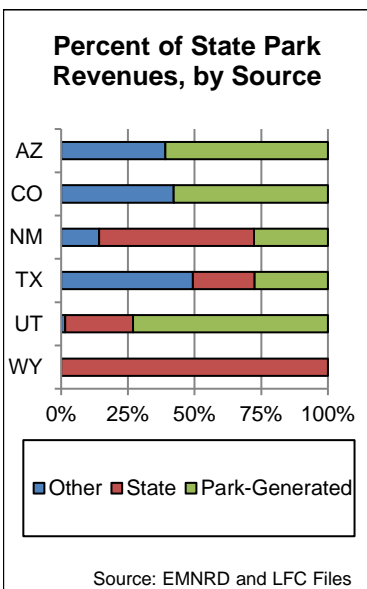
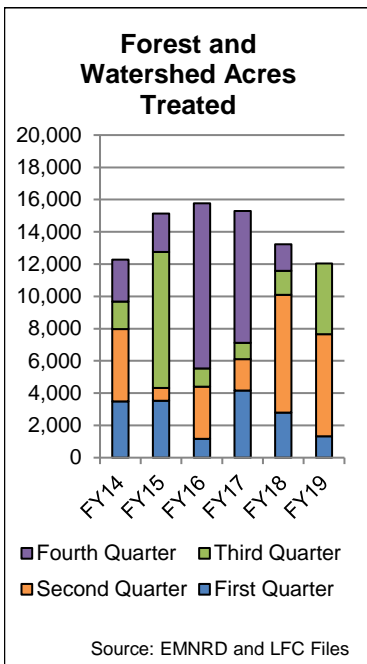
Energy, Minerals and Natural Resources Department

Based on reported third quarter data, the Forestry Division expects to fall short of its targets for both firefighters trained and forest and watershed acres treated. The Oil Conservation Division (OCD) continued its high pace of approving drilling permits. However, the number of violations issued is not on track to reach FY18 levels, partly because of prioritizing drilling permits over inspections due to resource limitations. Additionally, five of OCD's nine field inspector positions are currently vacant. This session, the governor signed a bill to allow OCD to assess industry fees, as other states are doing, to help cover the cost of its operations. EMNRD reports that the area around the Carlsbad brine well is being secured for the grouting process to begin.

EMNRD should consider adding key measures in the Renewable Energy and Energy Efficiency Program to reflect the current administration's priority focus on this area and the goals of the capital appropriation made in FY20.

Healthy Forests

Forest thinning and watershed restoration efforts fell slightly this quarter, partly due to inclement weather. Due to a lack of FY18 funds for capital projects and FY19 funding projects still being established, the program may not meet the target for this measure by fiscal-year-end. During FY18, the division treated over 13 thousand acres of overgrown forests to increase resilience to fire, drought, insects, and disease. However, this is only a portion of forest area in need of treatment. For FY20, the Legislature appropriated \$2 million annually to a new forest land protection revolving fund to administer forest and watershed management projects. Although the number of firefighters trained is at 91 percent of the target, the agency has only a few trainings scheduled for the fourth quarter and expects the FY19 total to fall short of the annual goal.



Budget: \$13,458.7 FTE: 78

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Nonfederal wildland firefighters provided training.	1,362	1,205	1,500	59	295	1,365	Y
Acres treated in New Mexico's forest and watersheds	15,292	13,226	15,500	1,328	6,332	4,371	Y

Program Rating

Y

State Parks

State Park program fees for entry, camping, and facilities are some of the lowest in the country and most visitation to state parks occurs in the first and fourth quarters of the fiscal year. Third quarter visitations are typically the lowest of the year due to holidays and winter weather. With high levels of precipitation leading to rising reservoirs, State Parks can expect high levels of visitation this summer.

Budget: \$26,722 FTE: 234.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Visitors to state parks, in millions*	4.93	4.71	N/A	1.6	0.6	0.5	Y
Self-generated revenue per visitor, in dollars*	0.88	1.06	N/A	0.86	1.13	1.18	Y

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Interpretative programs available to park visitors* 1,053 860 N/A 183 135 166

Y

Program Rating

Y

*Measures are classified as explanatory and do not have targets. Ratings are based on comparison with past year performance.

The Wall Street Journal reports 3 percent of natural gas extracted is flared in the Permian Basin. New Mexico flares between 50 and 100 million cubic feet per day. The Governmental Accountability Office reports 40 percent of gas lost through venting and flaring on public lands could be economically captured.

Mine Reclamation

There is only one mine without enough financial assurance in place to cover reclamation costs, if needed – the Asarco Deming mill. The program has been working with the new owner to put up collateral for the project.

Budget: \$8,157 **FTE:** 33

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	98%	99%	98%	99%	99%	99%	G
Program Rating							G

Oil and Gas Conservation

In FY18, the division was unable to meet the goal of 47 thousand inspections due to inspector vacancies. The target was lowered to 40 thousand for FY19, and inspections have decreased each quarter. To meet the target, the program would need to increase inspections by 63 percent next quarter. The division continues to process most approved drilling permits within 10 business days. The number of orphan wells plugged by the third quarter is also on track to meet a lower target; for FY20, the agency requested a flat target of 27 wells, despite plugging 41 in FY18. As of the third quarter, the program has issued 1,144 violations, which is 55 percent of what was issued in FY18 despite increased oil and gas production activity.

Budget: \$8,001 **FTE:** 66

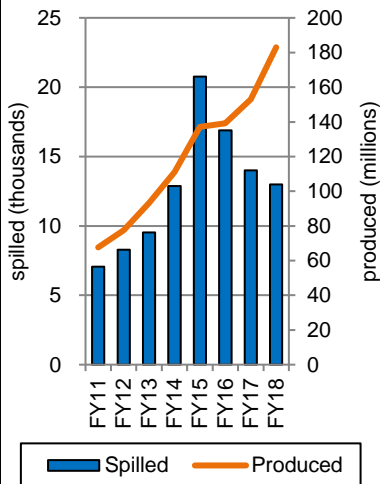
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Inspection of oil and gas wells and associated facilities	37,648	42,800	40,000	9,709	7,900	6,004	R
Application to drill permits approved within 10 business days	96%	99.8%	85%	99.7%	94.3%	96.5%	G
Abandoned oil and gas wells properly plugged	33	41	27	16	3	0	Y
Violations issued*	NEW	2,081	N/A	284	351	509	Y
Program Rating							G

*Measure is classified as explanatory and does not have a target. Rating is based on comparison with past year performance.

Renewable Energy and Energy Efficiency

The agency reported that it reviewed 90 percent of applications for clean energy tax credits within 30 days. Annually, the agency reports on waste-isolation-pilot-plant emergency responder and shipment inspection trainings and exercises; during FY18, it exceeded the target with 79. In FY20, the program will report on technical assistance provided to clean energy projects. Expanding the measures in this program will be key

Barrels of Oil Spilled and Produced



Source: EMNRD and LFC Files

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to monitoring progress towards the new administration's renewable energy goals and the Legislature's investments in this area.

Budget: \$2,565.0 **FTE:** 14

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	90%	90%	G
Program Rating							G